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## Global Employment Trends: Brief, February 2005

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## Global Employment Trends: Brief, February 2005

### Abstract

[Excerpt] The global employment situation improved slightly in 2004. Global unemployment stood at 184.7 million at the end of 2004, down from a revised 185.2 million in 2003. Although the decline in unemployment is very small in percentage terms, this is a significant development, as it marks only the second time in the past decade that there was a year-over-year decline in total unemployment. In addition, the global employment-to-population ratio stabilized in 2004 at 61.8 per cent, from a revised 61.7 in 2003. The robust global economic growth rate of 5 per cent in 2004 undoubtedly played a large role in shaping these employment outcomes.

The focus of this Global Employment Trends *Brief* is not only on increasing employment, but also on poverty alleviation and improving the conditions of work. This brief updates the labour market trends to 2004 and addresses six key labour market challenges that are on the horizon for 2005, which are expected to impact on the global employment situation and poverty reduction. These challenges are the December 26th Asian Tsunami disaster, the HIV/AIDS epidemic, agricultural productivity in developing economies, *outsourcing* of employment, working conditions in the informal economy, and youth employment—all of which require immediate attention and a sustained response by governments, international organizations and civil society if we are to achieve the goal of decent and productive work for all.

### Keywords

International Labour Organization, ILO, labor market, development, economic growth



International  
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Office



## GLOBAL EMPLOYMENT TRENDS *BRIEF, February 2005*

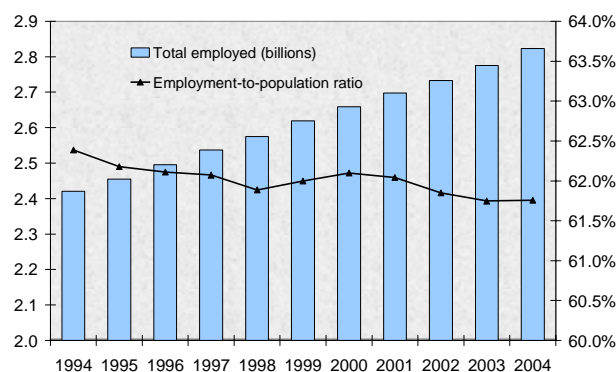
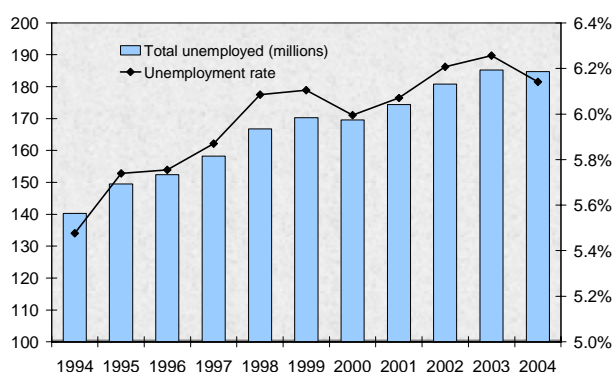
### Global employment situation

In 2004 many regions of the world witnessed improvements in a number of labour market indicators, following successive years of adverse employment trends during the global economic slowdown in 2001 and 2002 and throughout the recovery in 2003. Global unemployment stood at 184.7 million at the end of 2004, down from a revised 185.2 million in 2003. Although the decline in unemployment is very small in percentage terms (from 6.3 to 6.1 per cent), this is a significant development, as it marks only the second time in the past decade that there was a year-over-year decline in total unemployment.

During 2004, global employment grew by 47.7 million, leading to an increase of 1.7 per cent in total employment. Following three consecutive years of declines, the global employment-to-population ratio stabilized in 2004 at 61.8 per cent, from a revised 61.7 per cent in 2003. The robust global economic growth rate of 5 per cent in 2004 undoubtedly played a large role in shaping these employment outcomes.<sup>1</sup>

However, a decline in unemployment rates does not in itself indicate improvement in decent work “deficits”, it is only the tip of the iceberg. In most of the developing world, “employment” and “unemployment” are crude measures of the state of people’s livelihoods and well-being. In developing countries, which often lack effective unemployment insurance mechanisms, most people simply cannot afford to be unemployed. The focus in developing economies should therefore not be unemployment

### Global unemployment and employment trends, 1994-2004



Source: ILO, *Global Employment Trends Model*, 2005; see also Technical Note in ILO, *Global Employment Trends* (Geneva, 2004).<sup>2</sup>

*In 2004, for the second time in a decade the total number of unemployed people in the world decreased and the long lasting decline in employment-to-population ratios came to a halt.*

<sup>1</sup> The analysis that follows is partly based on more extensive research that can be found in ILO: *World Employment Report 2004-05* (Geneva, 2004) and ILO: *Global Employment Trends* (Geneva, 2004). For more information, see <http://www.ilo.org/trends>.

<sup>2</sup> Differences from earlier estimates are due to revisions of the IMF estimates of GDP growth used in the model. For further technical information on the world and regional estimation processes, see <http://www.ilo.org/public/english/employment/strat/wrest.htm>.

alone, but also on the conditions of work of those who are employed.<sup>3</sup> For example, of the over 2.8 billion workers in the world, nearly half still do not earn enough to lift themselves and their families above the US\$2 a day poverty line. Among these working poor, 535 million live with their families in extreme poverty on less than US\$1 a day.

Despite working long and difficult hours, often under adverse conditions, these workers and their families continue to struggle with a multitude of problems directly related to poverty, such as hunger and malnutrition, poor health status, and increased risk of sexual exploitation and child labour, among many others.

At the onset of 2005, there are a number of labour market challenges that are on the horizon. Of these, six key challenges are identified by the ILO in this brief as those that require immediate attention and a sustained response by governments, international organizations and civil society. Firstly, the December 26th Asian Tsunami disaster has left in its wake hundreds of thousands and perhaps millions of individuals who, in addition to suffering unimaginable personal loss, now find themselves stripped of their livelihoods and at risk of slipping deeply into poverty if their jobs and incomes are not restored. Secondly, lest the world forget the HIV/AIDS epidemic, which the ILO estimates will be responsible for the death of 3.2 million people of working-age globally in the course of this one year – 2005 – alone, attention must be focused on the labour market impact of the epidemic and mitigating the economic and social effects. Thirdly, globalization is bringing both opportunities and challenges for the world's workers.<sup>4</sup> Developments in global trade policies in 2005, such as trade in agricultural goods between developing and developed economies will likely have important consequences for the world's workers. Fourthly, the trend towards the *outsourcing* as well as the *insourcing* of manufacturing and service sector jobs brings labour market challenges for both developing

and developed economies. Other dimensions of globalization such as the termination of the Multi-Fiber Agreement (MFA) and the opening up of the textile market is expected to have an impact on exports from, and employment in, smaller developing countries. It remains to be seen what the final impact will be, but it is clear that additional competition will be created on the textile market worldwide. Fifthly, the ongoing decent work "deficits" in the growing informal economy in many developing countries highlights the need for a specific focus on improving working conditions and creating more and better jobs opportunities in the formal economy. Finally, the significant problem of youth unemployment remains as relevant as ever in 2005, particularly in regions marked with civil conflict. In sum, the world faces serious and very diverse employment challenges in the coming year. The remainder of this Global Employment Trends Brief will provide further details on these important issues that will shape labour market policies throughout the coming year.

## **Tsunami and Earthquake Disaster: Aiding the labour market recovery**

After the tragic Tsunami and Earthquake disaster of December 26th the relief phase has gained momentum and the immediate needs of food, sanitation and shelter are being addressed. The main challenge ahead is to start addressing the rehabilitation and recovery process to ensure a rapid economic recovery for those who survived the catastrophe (see box for ILO response).

The immediate effects of this disaster on labour markets have been enormous. Having hit predominantly coastal areas, the three major sectors affected are fisheries, agriculture and, in some areas, tourism. It is feared that due to the impact of the tsunami, up to 400,000 workers in the affected provinces in Sri Lanka and 600,000 workers in the most affected regions in Indonesia (Aceh Province and the island of Nias) may have lost their primary source of income. As a result of the disaster the unemployment rate in the affected provinces in Sri Lanka may currently be 20 per cent or higher, up sharply from the 9.2 per cent rate in the provinces prior to the disaster. The unemployment rate in the affected areas in Indonesia may currently be 30 per cent or higher, up dramatically from the 6.8 per cent rate in the provinces prior to the disaster.

<sup>3</sup> Subsequent ILO work on this subject will incorporate additional labour market indicators, including status in employment and employment by sector. These indicators are particularly relevant for developing regions, because they measure the number of people in wage-employment and in sectors that may be dominated by informal employment and unpaid family work.

<sup>4</sup> For ILO's strategic framework for a fair globalization process, see World Commission on the Social Dimension of Globalization: *A fair globalization* (Geneva, 2004).

### The ILO response to the Tsunami and Earthquake Disaster

The ILO's role in assisting individuals affected by the Tsunami focuses on the recovery and reconstruction phases, which should be planned as a continuum from the post-emergency phase.

It is during the reconstruction period that the ILO can offer assistance, helping to reconnect the social and economic networks, both locally and internationally. The ILO has proposed a comprehensive response strategy aimed at rebuilding livelihoods, restoring local markets and enabling local economic actors. The recovery strategy proposed by the ILO includes:

- rapid assessment of the employment and labour market;
- identification of economic opportunities and promotion of Emergency Employment Services;
- employment-intensive reconstruction as a tool to re-launch local markets and rebuild infrastructures;
- supporting local economic revival through the promotion of local entrepreneurship;
- initiating training activities for the displaced population and migrants from the affected areas;
- mobilizing resources including micro-finance instruments to foster economic recovery;
- reviewing social safety nets;
- addressing the needs of the groups at greatest risk of becoming victims of trafficking and the worst forms of child labour, including female-headed households and orphans.

However, if sufficient international aid is rapidly made available for the reconstruction of workplaces, equipment, infrastructure repair and workers' health, the ILO estimates that between 50 and 60 per cent of the affected population in Sri Lanka and Indonesia could once again be able to earn a living for themselves and their families by the end of 2005. Nearly 85 per cent of the jobs could be restored within 24 months. However, if the aid and support from the international community is inadequate or poorly targeted, over 300,000 tsunami-affected workers in Sri Lanka and nearly half a million workers in Indonesia could still be without an adequate means of earning a living by the end of 2005.

Even before the disaster, all of the affected economies were characterized by high levels of poverty, amongst those without a job and also amongst those who worked. Young people and women found it particularly hard to find decent employment opportunities and secure a life outside poverty. Without immediate help poverty among

these groups will grow, leaving thousands more young people and women with little hope for the future. This danger is especially high for orphaned children facing exploitation and trafficking.

### HIV/AIDS and employment

HIV/AIDS continues to take a devastating toll on global labour markets, to burden families and children who lose providers and parents, and to threaten future generations, because of the break in transmission of livelihood knowledge and life skills from parent to child.<sup>5</sup> The loss of life due to HIV/AIDS is compounded by reductions in labour force growth, and the physical inability of millions of active people to work in the later stages of AIDS. As it now stands, the epidemic is poised to deplete the economically active population and therefore severely impact on economic growth and sustainable development for many generations to come.

The ILO estimates that globally 28 million labour force participants have been lost to the HIV/AIDS epidemic to date. If transmission is not controlled, and access to treatment is not greatly accelerated, this number is projected to increase to 74 million by 2015. Two-thirds of those losses will be in Africa, the region that has been the hardest hit by the epidemic (see table below).

#### Projected cumulative labour force losses and yearly death toll of working-age persons, World and Africa, 1995-2015 (rounded)

Year	1995		2005		2015	
	World	Africa	World	Africa	World	Africa
Labour force losses (millions)	4.5	2.8	27.6	19.9	74.2	49.6
Labour force losses as proportion of total labour force (per cent)	0.2	1.2	1.3	6.3	3.2	12.0
Yearly death toll of working-age people (millions)	0.7	0.5	3.2	2.5	5.6	3.4

Source: *HIV/AIDS and work: Global estimates, impact and response 2004* (Geneva, ILO, 2004).

<sup>5</sup> This section, including all estimates is based on key findings of the report, *HIV/AIDS and work: Global estimates, impact and response* (Geneva, ILO, 2004).



In addition to loss of life, each year, 2 million workers leave the labour market because HIV/AIDS renders them too ill to work. Without adequate intervention it is expected that by 2015 4 million workers will become unable to work each year.

The destructive impact of HIV/AIDS can be witnessed at all levels of the economy, i.e. in households, enterprises and the macro-economy at large. Estimates show that in affected countries, where the effect of HIV is measurable, there was a loss of 0.2 per cent of the annual rate of growth of GDP on average between 1992 and 2002, equivalent to a total average annual loss of US \$25 billion. HIV/AIDS reduces growth, partly through the lack of effective demand, reduced savings and investment, lower productivity and diminished skill formation as experienced and skilled workers with HIV/AIDS are replaced by young people with less skills.

Improving the opportunities for decent and productive employment for workers, particularly for disadvantaged groups (such as women, migrant workers and youth) who are most exposed to HIV, can help control the epidemic and produce benefits that reverberate throughout the economy. Providing opportunities for vocational training, skill development, apprenticeships, and educating women, girls and orphans should be a part of this strategy. In addition, implementation of the *ILO Code of Practice*, safeguarding worker's rights, and implementing HIV/AIDS workplace policies at the national level will help to improve the lives of workers living with HIV/AIDS and eradicate the stigma and discrimination still associated with the disease.

## Promoting the agriculture sector for poverty reduction

It is expected that in 2005 all regions in the world will achieve robust rates of economic growth. Still, in regions in which the majority of people, and particularly the poor, work in agriculture, growth will lead to greater rural incomes and poverty reduction only if the agricultural sector contributes considerably to economic performance. This is especially true for sub-Saharan Africa where seven out of ten people work in agriculture and for large parts of Asia where five out of ten people work in the sector.

### Policies for promoting employment and productivity growth in the agricultural sector

Whether a focus on agricultural productivity and employment growth makes sense for an economy depends on that economy's stage in the development process, and the potential of its agricultural sector in terms of natural and human resources. To achieve the maximum impact of growth in agriculture for poverty reduction and sustainable growth, the following challenges remain:

- a focus on food price development. It is important that food prices in the poorest parts of the world do not rise to levels that could harm the poor and thereby undermine poverty reduction. At the same time, prices have to be high enough to ensure that food-exporting countries can foster an attractive investment environment and earn enough foreign exchange to meet domestic development objectives;
- a focus on income distribution, particularly a better distribution of land ownership in agriculture, both to facilitate output growth and accelerate poverty reduction;
- investment in water supply, infrastructure, health, education, agricultural research and development, and other institutional reforms, even though the impacts of these kinds of investments have a relatively long gestation period;
- non-farm activities should be fostered as an additional source of employment creation, adding further to the poverty reduction potential of the agricultural sector.

The challenge is to foster growth in the sector by focusing not only on productivity gains but also on employment growth, as this is the only way to ensure long-run sustainable growth and poverty reduction. Promoting productivity growth is indeed important, as this is likely to raise the earnings of those people working in the sector. In turn, the more people earn, the more they can either save or consume. Ultimately, productivity growth in agriculture will help to reduce the price for food, which, in turn, will raise the purchasing power and well-being of the poor. But economic growth and poverty reduction depend not only on productivity growth but also on the availability of decent jobs, whereby people can earn enough to lift themselves and their families out of poverty. It is, therefore, important that gains in productivity get translated into improvements in the incomes of the poor people – through increases in real wages and real earnings of the self-employed. Only once out of

poverty can people begin investing in their own well-being (thereby contributing to productivity and employment growth) and in the future of their children (again an important input for future productivity and employment growth).

Neglecting the agricultural sector can constrain the development process. But it is clear that the success in this sector depends not only on national efforts but also on the world community. Only within a framework of a fairer globalization process where developing economies have a chance to participate in trade of agricultural products can this sector contribute to employment creation and poverty reduction.

### Addressing the employment impact of 'outsourcing'

It is expected that the trend towards globalization of production will continue to expand and impact on labour market dynamics. In particular, the *outsourcing* (as well as the *insourcing*) of jobs will influence employment outcomes as economies tap deeper into global supply chains in attempts to create additional job opportunities for their workers. Consequently, as labour markets become more integrated and ever more dependent on large multinational enterprises there is a need for a 'more transparent, coherent and balanced framework' at the global level to address the employment dimensions of globalization.<sup>6</sup>

It is expected that firms in all countries will continue to expand their global production in the future for a number of reasons. Firstly, the spread of information and communication technologies have eased the transferability of jobs to offshore locations and has transformed the way labour markets operate. Both outsourcing and insourcing are no longer limited to the manufacturing sector but they also affect highly skilled jobs in the service sector, suggesting that all phases of the production process can be "globalized". Additionally, the increasing educational and skills levels in developing economies as well as the labour cost advantages in countries such as China and India serve to attract jobs once thought to be immune to relocation. Thus, if the trend continues there is a strong sentiment that the future will bring a massive transformation in

how goods and services are produced. In this context, the benefits from globalized production for all economies can be derived through a number of channels. Firstly, global linkages in the supply chain have created increased employment opportunities in many developing economies, offering improved wages and working conditions. Secondly, higher incomes in developing economies not only benefit the domestic economy, but also the global economy through increased demand for goods and services produced in other economies, such as more skill-intensive products in the industrialized economies.

It is necessary to ensure that the benefits of globalization are more evenly distributed through broader consensus on issues regarding core labour standards.<sup>7</sup> As labour markets become more integrated, policies at the national level need to take this into consideration through renovation of their labour market institutions. The compensation mechanisms on a global level are not yet in place, but issues concerning sectoral shifts of employment at the global level, such as that likely to result from the Multi-Fiber Agreement, need to be thought of together on a global level rather than an individual country basis.

The challenges ahead require economies to continuously increase their skill and knowledge base in order to successfully integrate themselves into the global production process; to ensure that the net effect of globalized production is not simply the displacement of workers; and to uphold core labour standards in order to ensure decent and productive work for all. Active labour market policies (including skill development) should be strengthened to better prepare workers for the future job market. When temporary dislocation of workers cannot be avoided, appropriate social protection measures can be introduced to provide worker security. In all cases, the benefits that global production can bring should be properly weighted against the costs, and these costs can be minimized through active involvement of all the major actors. One such example is that of the HSBC Bank in the United Kingdom, which reached an outsourcing agreement with UNIFI, the financial union to minimize the number of jobs lost and to find innovative solutions for re-deploying workers

<sup>6</sup> For a more elaborate discussion, see World Commission on the Social Dimension of Globalization: *A fair globalization* (Geneva, ILO, 2004).

<sup>7</sup> See discussion in World Commission on the Social Dimension of Globalization: *A fair globalization* (Geneva, ILO, 2004).

within the company. This agreement now serves as a benchmark for other companies in the industry.<sup>8</sup>

## Creating better jobs in the informal economy

One sure way to improve the lives of the 1.4 billion people living on less than US\$2 a day is to improve the opportunities for decent and productive work. In this regard, focusing on improving the lives and livelihoods of those who work in the growing informal economy is important.

The explosive population growth in urban areas such as Mexico City, Jakarta, Calcutta, and Lagos has led to large surpluses of underemployed people who have no other alternative but to work in informal activities such as street vending, garbage collecting, waste recycling, mechanical work – and more. Work in the informal economy is generally of low skill and low productivity; working conditions can be unsafe and unhealthy; and workers usually work long hours and receive low pay. Women tend to comprise between 60 and 80 per cent of total informal employment and are generally concentrated in a narrow range of activities with lower-skill, lower-pay tasks (food processing, garment sewing and domestic services).<sup>9</sup>

Despite these drawbacks, it is increasingly recognized that there are many opportunities for creating decent work in the informal sector. Small-scale enterprises, characteristic of the informal economy, provide many jobs and have substantial growth potential. In Latin America, for example, the urban informal economy was the primary job generator during the 1990s; informal economy employment increased by 3.9 per cent a year, while formal economy employment grew by 2.1 per cent. In Africa, the informal economy generated more than 90 per cent of all new jobs in the region in the 1990s.<sup>10</sup>

The challenging task ahead is to improve the conditions of work in the informal economy through the formalizing process, while at the same time

maintaining its potential to create jobs for those who would otherwise be unemployed. *The Resolution Concerning Decent Work and the Informal Economy* adopted at the 2002 General Conference of the ILO upholds this viewpoint and concludes that “the promotion of decent work requires the elimination of the negative aspects of informality, while maintaining the opportunities for livelihood and entrepreneurship, and promoting the protection and incorporation of workers into the formal economy”.<sup>11</sup>

Such a strategy should initially entail improving rights, providing social protection, and allowing the organization and representation of workers as a way of improving working conditions. The process of formalizing workers and businesses could then be facilitated by providing small-scale entrepreneurs with more and better access to loans, market information, simple technology and sufficient protection of property rights as a means to improve productive performance and enhance their market integration. Fundamental to this strategy is lowering the costs of formalizing businesses. In addition, developing business linkages between the informal and the formal economy should be encouraged. For example, the recent widespread strategy of firms in the formal economy subcontracting production to informal family enterprises has helped to link women’s home-based labour to the formal production system. This type of strategy could create opportunities for improved wages and skill upgrading, but to be realized will require stronger institutional support for home-based workers.<sup>12</sup>

Clearly a large informal economy is not a sign of favourable economic development; and a longer term strategy should be based on creating enough jobs that are protected, recognized and decent for all workers. But given the problem of matching demand and supply in the formal economy, reducing decent work “deficits” and promoting quality job creation in the informal economy can be another means of creating decent and productive employment.

<sup>8</sup> <http://www.unifi.org.uk/welcome/index.htm>

<sup>9</sup> ILO: *Women and men in the informal economy: A statistical picture*, Employment Sector Paper (Geneva, 2002).

<sup>10</sup> ILO: *Decent work and the informal economy*, Report VI, ILC, 90th Session, Geneva, 2002 (<http://www.ilo.org/public/english/employment/infeco/download/report6.pdf>).

<sup>11</sup> ILO: *Record of Proceedings*, ILC, 90th Session, Provisional Record 25, Geneva, 2002.

<sup>12</sup> For a more elaborate discussion, see ILO Convention No. 177 on home-based work (C177 Home Work Convention, 1996).



## Tackling the youth employment challenge

In spite of the improvements in global employment, youth unemployment still remains a pressing issue in many regions of the world. Youth unemployment rates remain twice as high as the total rate and there has been little improvement in 2004.

The developed economies and the European Union, along with Latin America and the Caribbean, have seen slight improvements in youth unemployment rates, but in regions such as South Asia, South-East Asia and the Pacific, Middle East and North Africa and sub-Saharan Africa high youth unemployment rates remain entrenched and a growing cause for concern (see following table).

In many developing economies young people and children constitute over half of the current population, a proportion that is expected to increase the next decade. Whether such a youthful population represents an asset or liability to their respective countries can very much depend on young people's *employability* and the *availability* of decent and productive employment opportunities. The growing youth population and lack of employment opportunities is a particular challenge for many war torn and debt-ridden economies that cannot escape the vicious cycle of conflict and poverty. The emphasis on youth is particularly important because youth in general are an 'at risk' group and can be particularly susceptible to criminal and violent activity for manifold reasons ranging from lack of opportunities and political exclusion to loyalty to those they are dependent upon.

Young people who are uneducated, unskilled and unemployed are the most vulnerable. Thus, the challenge is to provide not only training and skills, but decent employment opportunities for young people early in their work-life. This will give young people and their parents an incentive to invest in themselves and help close the gap between young people's aspirations for their future and the opportunities that are available to them.

In addition, the youth gender gap is of particular concern: young women in all developing regions except East Asia and sub-Saharan Africa have higher unemployment rates than those of their young male counterparts. In Latin America and the Middle East and North Africa, the wide gap between the unemployment rates of young men and

women is particularly troubling and suggests that despite the strides that have been made in terms of gender equality in the labour markets there remains considerable work to be done.

**Youth unemployment rates by region and sex, 2003-2004 (percentage)**

	2003			2004		
	Total	Female	Male	Total	Female	Male
World	13.3	13.1	13.5	13.1	12.9	13.2
Developed Economies and European Union	14.6	13.9	15.2	14.2	13.6	14.6
Central and Eastern Europe (non-EU) and CIS	16.8	17.1	16.5	16.0	17.0	15.1
East Asia	7.0	5.8	8.1	7.0	5.8	8.1
South East Asia and the Pacific	14.9	15.9	14.1	14.7	15.8	13.9
South Asia	11.0	11.8	10.7	10.9	11.6	10.6
Latin America and the Caribbean	18.8	23.1	16.0	17.6	21.7	14.9
Middle East and North Africa	21.3	24.2	20.0	21.3	24.2	20.0
Sub-Saharan Africa	18.3	16.4	19.8	18.4	16.4	19.9

Source: ILO, Global Employment Trends Model, 2005; see also Technical Note in ILO (2004), *Global Employment Trends*.<sup>13</sup>

There is a substantial cost of high youth unemployment for all economies, not only in terms of the inter-generational cycle of poverty that is created, and the alternative choices that youth will be forced to make, but also in terms of wasted resources. Estimates have shown that halving the youth unemployment rate (from over 14 to just above 7 per cent) could add US\$2.2 to US\$3.5 trillion to the world economy.<sup>14</sup>

Tackling youth unemployment requires both an integrated and targeted approach to the youth unemployment challenge. Such an approach takes into consideration the diverse characteristics of young people, which need to be considered just as much as the diversity of the labour markets in each economy.

<sup>13</sup> Differences from earlier estimates are due to revisions of IMF estimates of GDP growth used in the model as well as new regional groupings.

<sup>14</sup> ILO: *Global Employment Trends for Youth* (Geneva, 2004) (<http://www.ilo.org/public/english/employment/strat/download/getyen.pdf>).

## Appendix

Table 1: Unemployment in the world, 1994, 1999, 2001-2004 (millions)

Year	1994	1999	2001	2002	2003	2004
Total	140.3	170.3	174.3	180.9	185.2	184.7
Male	82.8	99.5	102.8	107.0	110.0	109.7
Female	57.5	70.9	71.5	73.8	75.2	75.1

Source: ILO, Global Employment Trends Model, 2005; see also Technical Note in ILO, *Global Employment Trends* (Geneva, 2004). Differences from earlier estimates are due to revisions of the IMF estimates of GDP growth used in the model.

Table 2: Labour Market Indicators

Region	Change in unemployment rate (percentage point)	Unemployment rate (%)			GDP growth rate (%)			Employment-to-population ratio (%)		Annual labour force growth rate (%)	Annual GDP growth rate (%)
	1999-2004	1994	2003	2004	2003	2004	2005	1994	2004	1994-2004	1994-2004
World	0.0	5.5	6.3	6.1	3.9	5.0	4.3	62.4	61.8	1.6	4.1
Developed Economies and European Union	0.2	8.2	7.4	7.2	2.1	3.5	2.9	55.9	56.0	0.6	2.7
Central and Eastern Europe (non-EU) and CIS	-1.9	6.5	8.4	8.3	7.0	7.4	6.1	56.5	51.6	-0.1	1.6
East Asia	-0.2	2.5	3.3	3.3	7.9	8.3	6.8	78.2	76.4	1.3	8.1
South East Asia and the Pacific	0.8	4.1	6.5	6.4	4.8	5.7	5.3	66.8	66.7	2.4	4.3
South Asia	0.8	4.0	4.8	4.7	6.9	6.3	6.5	56.2	56.1	2.2	5.8
Latin America and the Caribbean	-0.9	7.0	9.3	8.6	1.8	4.6	3.6	55.6	56.0	2.1	2.7
Middle East and North Africa	-0.2	12.4	11.7	11.7	5.9	4.8	4.6	43.9	47.3	3.4	4.0
Sub-Saharan Africa	0.3	9.8	10.0	10.1	3.5	4.4	5.6	65.5	65.6	2.7	3.3

Source: ILO, Global Employment Trends Model, 2005; IMF, *World Economic Outlook*, 2004; see also Technical Note in ILO, *Global Employment Trends* (Geneva, 2004). Differences from earlier estimates are due to revisions of the IMF estimates of GDP growth used in the model as well as new regional groupings.

Table 3: Global working poverty 1994 to 2004

Year	\$1 WP Estimate (in millions)	Share of \$1 WP in Global Employment	\$2 WP Estimate (in millions)	Share of \$2 WP in Global Employment
1994	611	25.3%	1'325	54.9%
1995	621	25.4%	1'300	53.2%
1996	551	22.2%	1'289	51.9%
1997	569	22.5%	1'299	51.3%
1998	581	22.6%	1'338	52.1%
1999	569	21.8%	1'368	52.4%
2000	561	21.1%	1'364	51.3%
2001	563	20.8%	1'372	50.8%
2002	561	20.4%	1'382	50.4%
2003	550	19.7%	1'387	49.7%
2004	535	18.8%	1'382	48.7%

Source: Kapsos, S, "Estimating growth requirements for reducing working poverty: Can the world halve working poverty by 2015?" Employment Strategy Paper No. 2004/14 (Geneva, 2004).